

**PUBLIC HEARING**  
**Salem City Budget**  
**Transfers and Administrative Fees**  
**Fiscal Year 2020**

In accordance with Utah State Law and Salem City budgeting practices, Salem City is giving notice of “Specific Enterprise Fund Information” that was approved in the budget during the Salem City Council Meeting and Public Hearing on June 5, 2019 at 7:00 pm in the Salem City Council Chambers located at 30 West 100 South, Salem Utah. In the meeting the discussion of the proposed transfers from Enterprise Funds to the General Fund and General Fund administrative fees (indirect services) charged to the Enterprise Funds was approved.

A transfer is the movement of cash or other resources from one fund to another. Salem City has utilized transfers from Enterprise Funds as a General Fund financing mechanism for many years. If budgeted and planned for correctly, transfers from Enterprise Funds can help to defray the cost of services such as public safety, public works, parks/recreation and general governmental services, and consequently, keep property taxes low. Without the transfers, Salem City would either have to significantly raise property taxes or significantly cut services.

If utility services were provided by private utility companies, the return on investment would be paid to investor-owners; because Salem taxpayers are the investor-owners of utilities, the residents receive this return on investment as a transfer to the General Fund.

Following are the Approved Fiscal Year 2020 transfers from the Enterprise Funds:

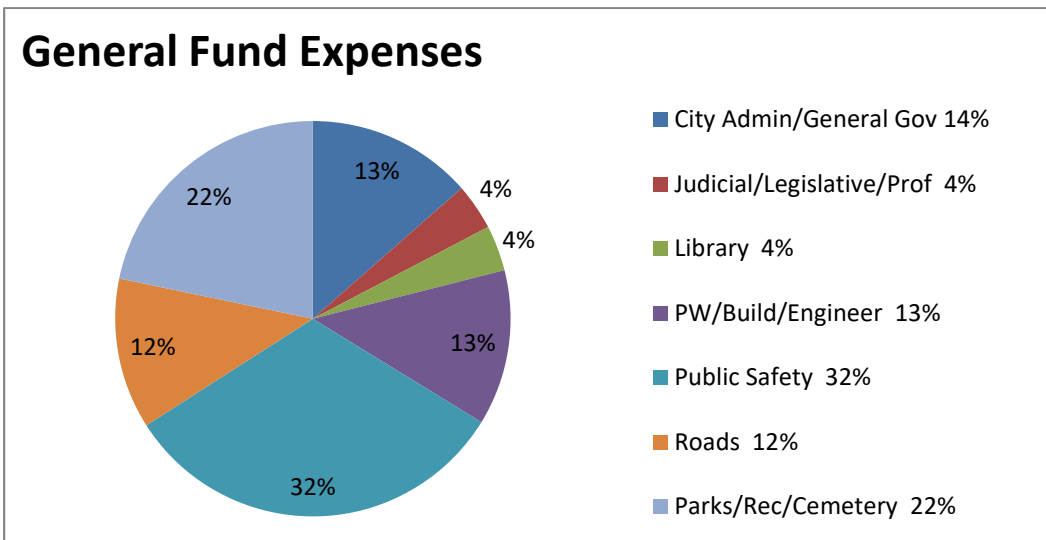
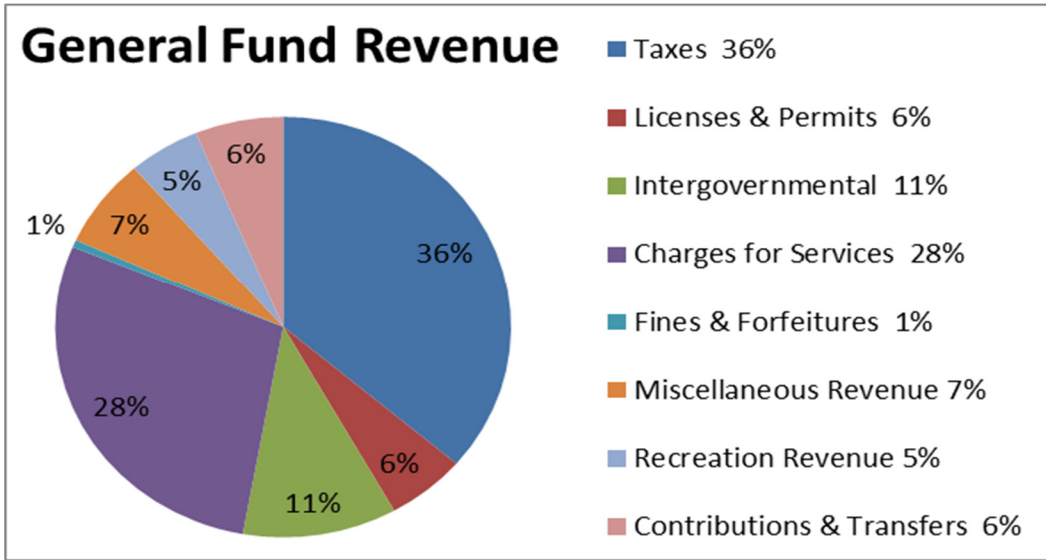
ENTERRPISE FUNDS		APPROVED TRANSFERS					
Fund	Approved Total Expenditures	Transfer To	Amount of Transfer	% of Total Expenditures	Transfer To	Amount of Transfer	% of Total Expenditures
	FY 2020				Internal Service Fund		
Water	\$ 1,109,877	General	\$ 40,000	3.6%	Motor Pool	\$ 35,000	3.2%
Sewer	\$ 2,484,181	General	\$ 21,500	0.9%	Motor Pool	\$ 26,000	1.0%
Electric	\$ 4,809,060	General	\$ 306,500	6.4%	Motor Pool	\$ 17,500	0.4%
Solid Waste	\$ 601,547	General	\$ 25,500	4.2%	Motor Pool	\$ 10,000	1.7%
P.I.	\$ 1,112,653	General	\$ 40,000	3.6%	Motor Pool	\$ 20,000	1.8%
Storm	\$ 214,280	General	\$ 11,500	5.4%	Motor Pool	\$ 8,000	3.7%

Indirect service charges are not the same as transfers. While transfers are a movement of cash or resources without compensation, indirect services are charges for centralized services provided by the general fund to the other funds of the City. Such services include but are not limited to utility billing, accounting, payroll, legal services, human resources, facility management, engineering, etc. These administrative fees are allocated by the finance department in a reasonable and rational manner.

Thank you for your support and involvement as a Resident/Customer of Salem City. If you have any questions please feel free to contact Jeff Nielson, Salem City Finance Director at 801-423-2770, jeffn@salemcity.org.

Fiscal Year 2020 Proposed Budget information:

The full budget is also located on the city's web page: [www.salemcity.org](http://www.salemcity.org) - city government - city budget



Other information about the proposed budget for Fiscal Year 2020:

Total Proposed Budget FY 2020	
General Fund	\$ 7,104,908
Water	\$ 1,109,877
Sewer	\$ 2,484,181
Electrical	\$ 4,809,060
Solid Waste	\$ 601,547
PI	\$ 1,112,653
Storm Drain	\$ 214,280
<b>Total Budget</b>	<b>\$17,436,506</b>

Administration Cost General Fund Charges Each Enterprise Fund	
Water	\$ 420,204
Sewer	\$ 269,148
Electrical	\$ 414,163
Solid Waste	\$ 102,515
PI	\$ 337,926
Storm Drain	\$ 57,211